

Gender Differences in Reactions to Enforcement Mechanisms: A Large-Scale Natural Field Experiment

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Overview of the paper

- A nudge experiment studying gender differences in responses to various enforcement mechanisms in their impact on overdue rate.
- Treatments:
 - ▶ Baseline: No reminder
 - ▶ Reminder: A reminder message about the repayment due date
 - ▶ Norm: A reminder message with a statement that they trust the borrower to repay on time as 95% of the borrowers repay on time
 - ▶ Shame: A reminder message with a statement that the borrower's endorsers will be notified if the repayment is overdue
 - ▶ Reward: A reminder message with a promise of 5% interest rate discount for future loans if the repayment is on time
 - ▶ Punishment: A reminder message with a statement that 5% interest rate markup for future loans if the repayment is overdue

Comments/ Questions

- The high overdue rate for women in the baseline and similar overdue rates for men in the baseline, reminder and shame treatments
- Shame treatment may be stronger in Chinese culture and the gender difference in responsiveness to it may be more pronounced.
- Is there any systematic gender difference in terms of risk behaviour of borrowers? The composition of the risk behaviour among men and women can explain the results further.
- Is there any gender difference in the tendency to take loans from the platform? If men are regular borrowers (compared to women), the punishment would be more important for them.